

1 SB403  
2 106084-1  
3 By Senator Butler  
4 RFD: Finance and Taxation General Fund  
5 First Read: 19-FEB-09

SYNOPSIS: Under existing law, an active, vested, and contributing member of the Employees' Retirement System (ERS) is not allowed to purchase credit in the system for service rendered to a public institution that had not participated in the ERS.

This bill would reopen ERS for one year to allow an active, vested, and contributing member to purchase up to 10 years of credit in the system for certain prior service rendered to the Tennessee Valley Authority.

A BILL  
TO BE ENTITLED  
AN ACT

Reopening the Employees' Retirement System to permit purchase of credit in the system for certain prior service rendered to the Tennessee Valley Authority.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1           Section 1. (a) Any active, vested, and contributing  
2 member of the Employees' Retirement System who was such a  
3 member on December 28, 2001, may claim and purchase service  
4 credit in the system not to exceed 10 years for prior service  
5 as a full-time employee with the Tennessee Valley Authority  
6 prior to October 1, 2000. The certification of prior service  
7 claimed under this section shall conform to applicable  
8 administrative rules and procedures of the Employees'  
9 Retirement System. Members shall receive credit for the prior  
10 service when they remit to the system the contributions  
11 required by subsection (b). No member shall receive credit for  
12 any service that the member is already credited with in the  
13 system or any other public retirement plan, with the exception  
14 of the federal Social Security program.

15           (b) Any member who is eligible to purchase service  
16 credit pursuant to subsection (a) shall pay to the  
17 Secretary-Treasurer of the system, within one year from the  
18 effective date of this act, for the claimed service, the full  
19 actuarially determined cost for each year of claimed service  
20 as determined by the system's actuary.

21           Section 2. This act shall become effective on  
22 October 1, 2009, following its passage and approval by the  
23 Governor, or its otherwise becoming law.